



# **CIRCULAR**

## **STATE OF NEW JERSEY**

### **DEPARTMENT OF THE TREASURY**

NO: 10-17-OMB	ORIGINATING AGENCY: OFFICE OF MANAGEMENT AND BUDGET	PAGE 1 OF 6
EFFECTIVE DATE: 04-16-10	EXPIRATION DATE: 12-31-10	SUPERSEDES: 09-13-OMB
SUBJECT: FINANCIAL/PAYROLL YEAR-END GUIDELINES FISCAL YEAR 2010		
ATTENTION: DIRECTORS OF ADMINISTRATION, FISCAL OFFICERS, AND PAYROLL OFFICERS		
FOR INFORMATION CONTACT: CHERYL MARTINEZ		PHONE: (609) 292-4820

This circular contains important year-end information and cutoff dates for the New Jersey Comprehensive Financial System (NJCFIS) and Centralized Payroll System. Refer to the Purchase Bureau's fiscal year 2010 cutoff date memorandum for Purchase Bureau year-end information and to the Fixed Assets' year-end guidelines circular (10-18-OMB) for fixed asset reporting requirements.

#### **I. PAYROLL INFORMATION**

Starting with the regular bi-weekly pay period 14 (June 19, 2010 through July 2, 2010) and supplemental payrolls applicable to fiscal year 2010-2011, the following procedures are in effect:

##### **A. Number of Working Days**

1. The number of working days in fiscal year 2010 for twelve-month employees is 261. The number of working days in fiscal year 2011 will also be 261. The bi-weekly gross calculations will not change for the new fiscal year.
2. The number of working days in fiscal year 2010 for employees paid under compensation code three (ten-month payment) is 217. The number of working days in fiscal year 2011 will also be 217. The bi-weekly gross calculations will not change for the new fiscal year.

##### **B. Overlap Pay Period**

Pay period 14 (June 19, 2010 through July 2, 2010) affects two fiscal years. The OMB Payroll Section will make the necessary computations with regard to the split, and will furnish a separate advice-of-charge for each fiscal year. The split for a 10-day pay will be eight days charged to fiscal year 2010 and two days charged to fiscal year 2011.

**C. Overtime Payments**

1. Overtime payments paid on regular pay period 13 will be charged to fiscal year 2010.
2. Overtime payments paid on regular pay period 14 will be charged to fiscal year 2011.

**Note: If it is necessary to have pay period 14 overtime payments charged to fiscal year 2010, payment requests may be submitted on supplemental pay period "N" as explained below.**

**D. Food and Other Maintenance**

It shall be the responsibility of the agency payroll officer to change any food and other maintenance deductions on pay period 14 (June 19, 2010 through July 2, 2010) to reflect any revised maintenance amounts that are in effect for fiscal year 2011. Requests for mass changes of food maintenance amounts should be sent to:

Kevin McMullen  
Supervisor, Payroll Audit-Centralized Payroll  
Office of Management and Budget  
Second Floor - Room 260  
P.O. Box 207  
Trenton, New Jersey 08625-0207  
[KEVIN.McMULLEN@treas.state.nj.us](mailto:KEVIN.McMULLEN@treas.state.nj.us)

**E. Salary Rates**

Tables of bi-weekly salary, daily, hourly, and overtime rates, based on 217 and 261 working days for fiscal year 2011, will be available from the Civil Service Commission.

**F. Supplemental Payrolls**

1. The supplemental pay period "M" will only be charged to fiscal year 2010.
2. The supplemental pay period "N" will accommodate both fiscal years. However, a single supplemental payroll submission cannot be used to reflect charges to more than one fiscal year. Supplemental payroll charges for pay earned through June 30, 2010 shall be submitted on one payroll marked "fiscal year 2010", and charges for pay earned on or after July 1, 2010 shall be submitted on a separate payroll marked "fiscal year 2011."
3. Supplemental payroll charges for pay earned through June 30, 2010 must be marked "fiscal year 2010" and be received in the OMB Payroll Section no later than noon, Monday, July 12, 2010 for payment on supplemental pay period "N" 2010, in order to be charged to fiscal year 2010 appropriation accounts. Deficits created because of this action are the departments' responsibility.
4. Supplemental payroll charges for pay earned from July 1, 2010 through July 2, 2010 must be marked "fiscal year 2011" and be submitted for payment on supplemental pay period "N" 2010 and charged to fiscal year 2011. These Supplemental Payrolls are due no later than noon, Monday, July 12, 2010.
5. Supplemental pay period "N" 2010 is absolutely the last opportunity for agencies to have payroll expenses charged to fiscal year 2010. All supplemental payrolls submitted after noon, July 12, 2010, will be charged to fiscal year 2011.

6. Supplemental payrolls for retroactive payments, sick leave injury, or accrued vacation after retirement or separation cannot be submitted for payment against position numbers that have been abolished in the new fiscal year. These supplemental payrolls must be submitted for supplemental pay period "N" marked "fiscal year 2010," and are due no later than noon, July 12, 2010.

## II. NEW JERSEY COMPREHENSIVE FINANCIAL SYSTEM (NJCFIS)

**Note: Continuing Appropriations - The references below to cutoff dates and pre-encumbrance cancellations do not pertain to continuing appropriations (appropriation type "02").**

### A. Critical Dates

#### 1. Year-end Cutoff Dates

The cutoff dates for fiscal year 2010 transactions that may require approval by OMB or the Office of Legislative Services (OLS) are listed below:

<u>TRANSACTION CODE</u>	<u>CUTOFF DATE</u>
TA (OLS approval)	July 9, 2010
AP	July 9, 2010
RB	July 9, 2010
TA	July 9, 2010

#### 2. NJCFIS Key Dates

- |                                        |                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| April 12, 2010<br>to<br>April 23, 2010 | a) Fiscal year 2011 original appropriations are established in NJCFIS.<br>b) EXPB records will be created with zero balances in fiscal year 2011 for all records that have a balance in fiscal year 2010 and a corresponding fiscal year 2011 appropriation record. A balance is considered a pre-encumbrance, encumbrance, or expenditure.              |
| April 26, 2010<br>to<br>May 3, 2010    | a) REVB records will be created in fiscal year 2011.<br>b) NJCFIS is opened for limited fiscal year 2011 activity based on the original appropriations, exclusive of expenditures or revenue.                                                                                                                                                            |
| May 3, 2010<br>to<br>May 7, 2010       | a) Estimated receipt amounts are established on appropriation and revenue budget records for appropriation sources 3XX and 4XX.                                                                                                                                                                                                                          |
| June 30, 2010                          | a) Year-end program will run against trust and bond funds (funds 5XX and 7XX). Free balances will be brought forward to fiscal year 2011. REVB and EXPB records will be created in fiscal year 2011 for all active records in fiscal year 2010 for trust and bond funds.<br>b) NJCFIS will be down from June 30, 2010, 5 p.m. until July 1, 2010 10 a.m. |

July 30, 2010

- a) Travel pre-encumbrances (TEs, THs) will be converted to Agency Orders (AOs).

**Note: TVs processed after this date must reference the converted agency orders (AOs).**

- b) Pre-encumbrances (RAs, RPs, and RDs) will be canceled for all non-trust and bond accounts.
- c) Year-end program will run against fiscal year 2010 accounts. Free balances will lapse or carry forward, depending on the appropriation language.
- d) NJCFS will be down from July 30, 2010, 5 p.m. until August 2, 2010, 7:00 a.m.

#### B. Cancellation of Pre-encumbrances

On July 30, 2010 after the close of business, all pre-encumbrances (RAs, RPs and RDs) in non-continuing appropriation accounts within the General Fund will be canceled by OMB. In anticipation of this action, agencies are encouraged to convert pre-encumbrances that represent legitimate 2010 obligations to encumbrances with proper vendor numbers prior to July 30, 2010. Uncommitted balances created by canceled pre-encumbrances will either lapse or carry forward in accordance with the appropriation type on the appropriation record.

In cases where a legitimate reason exists to have the balances of canceled pre-encumbrances reinstated in the new fiscal year, agencies must submit requests in writing by August 27, 2010 to justify the reinstatement of funds. Requests for reinstatement should be sent to:

Leslie A. Notor  
Manager, Accounting Bureau  
Office of Management and Budget  
Sixth Floor - Room 690  
P.O. Box 221  
Trenton, New Jersey 08625-0221

Please list the following specific items in the request:

- Pre-encumbrance document number
- Appropriation account number
- Amount that was canceled
- Amount that is requested to be reinstated
- Justification for the reinstatement

#### C. Deficit Balances

Chapter 131, P.L. 1989 established a penalty of prison or fines for purposely and knowingly over expending an appropriation. Any fiscal officer, business manager, or director of administration could be held liable under Chapter 131, P.L. 1989 if salary accounts (or any other accounts) are allowed to go into deficit without immediate corrective action. Therefore, it is the responsibility of each fiscal officer to make certain that no fiscal year 2010 appropriation account closes the fiscal year with a negative unobligated balance. Agency fiscal officers should not rely on last minute processing of transfers and other accounting documents to relieve deficits. Preparation and submission of deficit relieving documents should begin immediately upon receipt of this circular. Because of the time constraints involved, all transfers requiring OLS approval must be submitted to OMB no later than July 9, 2010.

All deficits on the Appropriation Table must be resolved by July 30, 2010. OMB does not require the elimination of deficits on the Expense Budget Table.

D. Exemption from Fringe Benefit Charges

In order for any non-state funded salary account to be considered exempt in fiscal year 2011 from applicable fringe benefit charges according to Circular 94-09-OMB, all requests for such exemption must be submitted to the Director, OMB for approval prior to July 30, 2010.

E. Indirect Cost Exemptions

Effective July 1, 2010 all existing waivers for the recovery of indirect costs will be canceled. If a waiver is desired, a new request must be submitted to the Director, OMB for approval. The waiver request must provide justification for the exemption, the dollar amount of the exemption, and the funding source. All waivers will be for one fiscal year only.

F. Intra-governmental

1. Treasury - Division of Administration (Treasury Fiscal)

Treasury Fiscal requests that agencies process payments by July 30, 2010 to cover any actual or projected deficits. Central services administered by Treasury Fiscal are telephone, motor pool, postage, print shop, rent, Distribution Center, and line of credit.

**Note: Please advise OMB Financial Reporting of any material transactions not processed and recorded by July 30, 2010.**

2. Office of Information Technology (OIT)

The Office of Information Technology requires that all agencies with outstanding balances for services provided by OIT process payments on or before Friday, July 23, 2010. Payment account information to OIT can be found on agency invoices located in the Cost Allocation and Recovery System.

3. Department of Corrections (DEPTCOR)

The process to encumber funds payable to DEPTCOR (State Use Industries) if funding is not encumbered through MACS-E purchase order type "STU" is as follows:

- a) Process an encumbrance (AO) with an intra-governmental indicator of "Y."
- b) Process an intra-governmental payment voucher (AV) in accordance with the provisions of Circular 95-08-OMB, referencing the intra-governmental encumbrance.

**Note: BFY 10 must be referenced in the header of the AV transaction for payment to be credited to the seller account.**

- c) The seller account on the AV transaction will be as follows:


<u>BFY</u>	<u>Fund</u>	<u>Agcy</u>	<u>Orgn</u>	<u>AP Unit</u>	<u>Actv</u>	<u>Rev Src</u>
10	100	026	7020	001		3769

- d) The description must be the invoice number from DEPTCOR.

## G. Accounting Periods

Please refer to the chart below for the correct assignment of accounting periods.

<u>MONTH</u>	<u>FISCAL YEAR</u>	<u>ACCOUNTING PERIOD</u>
May	10 and earlier	11 10
	11	01 11
June	10 and earlier	12 10
	11	01 11
July	10 and earlier	12 10
	11	01 11

  
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Charlene M. Holzbaaur  
Director